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HOUSE BILL 3069

State of Washington 59th Legislature 2006 Regular Session

By Representatives Morrell, Pettigrew, Miloscia, Springer, Williams, Hunt, O'Brien, Hasegawa and Hudgins

Read first time 01/19/2006. Referred to Committee on Housing.

AN ACT Relating to resolving manufactured/mobile home landlord and tenant disputes; amending RCW 59.22.070; adding a new section to chapter 34.12 RCW; adding a new chapter to Title 59 RCW; prescribing penalties; and declaring an emergency.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

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Sec. 1. (1) The legislature finds that there are NEW SECTION. factors unique to the relationship between a manufactured/mobile homeowner and a manufactured/mobile home park owner. Once occupancy has commenced, the difficulty and expense in moving and relocating a manufactured/mobile home can affect the operation of market forces, and lead to an inequality of the bargaining position of the parties. Once occupancy has commenced, a homeowner may be subject to violations of the manufactured/mobile home landlord-tenant act or unfair practices This chapter is created for the without an adequate remedy at law. protecting the public, fostering fair of and competition, and regulating the factors unique to the relationship between the manufactured/mobile homeowner and park owner.

(2) The legislature finds that taking legal action against a park

owner for violations of the manufactured/mobile home landlord-tenant

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- act can be a costly and lengthy process, and that many people cannot afford to pursue a court process to vindicate statutory rights. Park owners similarly are benefited by having access to a process that resolves disputes quickly and efficiently.
 - (3) Therefore, it is the intent of the legislature to provide a less costly and more efficient way for manufactured/mobile homeowners and park owners to resolve disputes, and to provide a mechanism for state authorities to quickly locate owners of manufactured housing communities. The legislature further intends to authorize the department of community, trade, and economic development to:
 - (a) Register mobile home parks or manufactured housing communities, take complaints, conduct investigations, and administratively resolve disputes, when there are violations of the manufactured/mobile home landlord-tenant act;
- (b) Maintain, update, and expand its current complaint program by retaining the necessary staffing level of hired or contracted persons used to operate and implement the program under chapter 429, Laws of 2005; and
 - (c) Collect data related to conflicts and violations.

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- NEW SECTION. Sec. 2. The definitions in this section apply throughout this chapter unless the context requires otherwise.
- 22 (1) "Department" means the department of community, trade, and 23 economic development.
 - (2) "Director" means the director of the department.
 - (3) "Mobile home park" or "manufactured housing community" means any real property that is rented or held out for rent to others for the placement of two or more mobile homes, manufactured homes, or park models for the primary purpose of production of income, except when the real property is rented or held out for rent for seasonal recreational purposes only and is not used for year-round occupancy.
- 31 (4) "Landlord" or "park owner" means the owner of a mobile home 32 park or a manufactured housing community, and includes the agents of 33 the landlord.
- 34 (5) "Tenant" or "homeowner" means any person, except a transient, 35 who rents or occupies a mobile home lot.
- 36 (6) "Mobile home lot" means a portion of a mobile home park or 37 manufactured housing community designated as the location of one mobile

- home, manufactured home, or park model and its accessory buildings, and intended for the exclusive use as a primary residence by the occupants of that mobile home, manufactured home, or park model.
- 4 (7) "Recreational vehicle" means a travel trailer, motor home, 5 truck camper, or camping trailer that is primarily used as a primary 6 residence located in a mobile home park or manufactured housing 7 community.
- 8 (8) "Owner" means one or more persons, jointly or severally, in whom is vested:
 - (a) All or part of the legal title to the real property; or

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- 11 (b) All or part of the beneficial ownership, and a right to present 12 use and enjoyment of the real property.
- 13 (9) "Unfair practice" means any act that would constitute an unfair 14 or deceptive act or practice under chapter 19.86 RCW.
- 15 (10) "Complainant" means a landlord, park owner, tenant, or 16 homeowner, who has a complaint alleging an unfair practice or violation 17 of chapter 59.20 RCW.
- 18 (11) "Respondent" means a landlord, park owner, tenant, or 19 homeowner, alleged to have committed an unfair practice or violation of 20 chapter 59.20 RCW.
- NEW SECTION. Sec. 3. (1) A complainant shall have the right to file a complaint with the department alleging an unfair practice or a violation of chapter 59.20 RCW.
- 24 (2) Upon receiving a complaint under this act, the department 25 must:
- 26 (a) If a statutory time period is applicable, inform the 27 complainant of the time frame to remedy the complaint under RCW 28 59.20.080 for tenant violations or RCW 59.20.200 for landlord 29 violations; and
- 30 (b) Encourage the complainant to notify the respondent of the 31 complaint.
 - (3) The department shall ensure that notice of the complaint resolution program is given to each mobile/manufactured home landlord or park owner and each mobile home unit owner or tenant. The landlord shall post an easily visible notice in all common areas of mobile/manufactured home communities, including in each clubhouse, summarizing mobile home park tenant rights and responsibilities, in a

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- 1 style and format to be determined by the department, and including
- 2 information on how to file a complaint with the office of manufactured
- 3 housing and a toll-free telephone number that mobile home park owners
- 4 and tenants can use to seek additional information and communicate complaints.

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- (4) After receiving a complaint under this act, the department may utilize alternative dispute resolution by the following:
- 8 (a) Investigate the alleged violations at its discretion upon 9 receipt of a complaint alleging unfair practices or violations of 10 chapter 59.20 RCW;
 - (b) Utilize investigative ombudsman staff or contractors to investigate and evaluate complaints alleging unfair practices or violations of chapter 59.20 RCW;
- 14 (c) Discuss the issues surrounding or relating to the complaint 15 with the complainant, respondent, or any witnesses, either individually 16 or jointly;
 - (d) Explain options available to the complainant or respondent, including the involvement of other agencies; and
- 19 (e) Negotiate an agreement that is agreed upon by both the 20 complainant and the respondent.
 - (5) If after the investigation and alternative dispute resolution, no agreement has been reached by the parties, the department may make written findings, conclusions, decisions, or rulings on whether an unfair practice or violation of chapter 59.20 RCW has occurred. In that event, the department shall deliver a citation to the respondent who committed the violation by certified mail or in person. The citation must specify the violation, the corrective action to be taken, the time within which the corrective action must be taken, the penalties that will result if corrective action is not taken within the specified time period, and the process for contesting the citation through a hearing. The complainant shall also be mailed a copy of the citation.
 - (6) If after an investigation the department does not find an unfair practice or violation of chapter 59.20 RCW, the department shall deliver a written notice of that decision, including any appeal rights, to both the complainant and the respondent.
- 37 (7)(a) Complainants and respondents shall cooperate with the 38 department in the course of an investigation by:

(i) Furnishing any papers or documents requested;

- (ii) Furnishing in writing an explanation covering the matter contained in the complaint when requested by the department;
- (iii) Allowing authorized access to department representatives for inspection of mobile home parks/manufactured housing community facilities relevant to the alleged violation being investigated; or
 - (iv) Responding to subpoenas issued by the department.
- (b) Failure to cooperate with the department in the course of an investigation is a violation of this chapter.
- (8) Department decisions regarding citations for violations and penalties or the failure to find an unfair practice or violation of chapter 59.20 RCW may be contested through an administrative hearing under chapter 34.05 RCW. The administrative law judge appointed under chapter 34.12 RCW shall hear and receive pertinent evidence and testimony. The administrative law judge shall decide whether the evidence supports the violation by a preponderance of evidence. The administrative law judge shall enter an appropriate order within thirty days after the close of the hearing and immediately mail copies of the order to the affected parties. The order of the administrative law judge constitutes the final agency order of the department, and is appealable to the superior court under chapter 34.05 RCW.
- (9) In order to obtain a hearing, the complainant or respondent must, within thirty days of receiving a citation or written notice from the department denying the complaint, request a hearing. If a hearing is not requested within this time period, the citation or written notice constitutes a final order of the department and is not subject to review by any court or agency.
- (10) For violations that substantially endanger or impair the health or safety of a complainant resulting in a citation, corrective action by the respondent must take place within twenty-four hours of the receipt of the department's citation. For violations involving the failure of the landlord to provide heat, water, or electricity, corrective action must take place within forty-eight hours of the receipt of the department's citation. For all other violations, corrective action must take place within fifteen days of the receipt of the department's citation.
- (11) If a respondent fails to take corrective action within the required time period and the department has not received a timely

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request for an administrative hearing, the department may impose a fine, up to a maximum of one thousand dollars per violation, for every day that the violation remains uncorrected. The department shall establish written guidelines, adopted by rule, for issuing fines. The department may consider aggravating or mitigating circumstances in assessing any fine. The party to whom a fine has been assessed may appeal the amount of the fine by requesting a hearing within thirty days of receipt of the department's action. If a hearing is not requested within this time period, the fine assessment constitutes a final order of the department and is not subject to review by any court or agency.

- (12) The department may issue an order requiring the respondent, or its assignee or agent, to cease and desist from an unfair or unlawful practice and take such affirmative actions that in the judgment of the department will carry out the purposes of this chapter. The affirmative actions may include, but are not limited to, the following:
- (a) Refunds of rent increases, improper fees, charges, and assessments collected in violation of the terms of this chapter;
- (b) Filing and utilization of documents which correct a statutory or rule violation; and
- (c) Reasonable action necessary to correct a statutory or rule violation.
 - (13) Upon application to the department by the respondent showing that a good faith effort to comply with the corrective action requirements of the citation has been made and that the corrective action has not been completed because of factors beyond the respondent's control, the department may extend the time period in which corrective action must be taken before fines are imposed.
 - (14) When the department imposes a fine, refund, or other penalty against the respondent, the respondent is not entitled to any recovery or reimbursement of the fine, refund, or other penalty from the tenants or homeowners.
 - (15) This section is not exclusive and does not limit the right of landlords or tenants to take legal action against another party as provided in chapter 59.20 RCW or otherwise. Exhaustion of this administrative remedy is not required before bringing legal action. This section does not apply to unlawful detainer actions initiated

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- 1 under RCW 59.20.080; however, a tenant is not precluded from seeking
- 2 relief under this chapter if the complaint claims the notice of
- 3 termination violates RCW 59.20.080.

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- NEW SECTION. Sec. 4. The department must continually maintain and update a data base, in which the following information is contained at a minimum:
- 7 (1) The number and names of all mobile home parks and manufactured 8 communities, and their owners, in the state;
 - (2) The number of complaints received;
 - (3) The nature and extent of the complaints received;
- 11 (4) The violation of law or unfair practice complained of; and
- 12 (5) The complaint investigation outcomes for both alternative 13 dispute resolution and administrative action complaints.
- NEW SECTION. Sec. 5. The director or individuals acting on the director's behalf are immune from suit in any action, civil or criminal, based upon any disciplinary actions or other official acts performed in the course of their duties under this chapter, except their intentional or willful misconduct.
- 19 <u>NEW SECTION.</u> **Sec. 6.** (1) All mobile home parks and manufactured 20 housing communities must be registered with the department.
- (2) To apply for registration, the owner of a mobile home park or manufactured housing community must file with the department an application for registration on a form prescribed by the department. The application must include, but is not limited to:
- 25 (a) The name and address of the owner of the mobile home park or 26 manufactured housing community;
- 27 (b) The name and address of the mobile home park or manufactured 28 housing community;
- 29 (c) The name and address of the manager of the mobile home park or 30 manufactured housing community; and
- 31 (d) The number of lots within the mobile home park or manufactured 32 housing community that are subject to chapter 59.20 RCW.
- 33 (3) Certificates of registration are effective on the date issued 34 by the department.

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1 <u>NEW SECTION.</u> **Sec. 7.** The department must:

- (1) Compile, update, and maintain the most accurate list possible of all the mobile home parks or manufactured housing communities in the state, the number of lots subject to chapter 59.20 RCW located in each mobile home park or manufactured housing community, and the names and addresses of the owners of these parks. The department is encouraged to work with groups including, but not limited to: The office of community development, mobile homeowners' associations, tenant advocacy groups, park owners' associations, and county assessors to generate the list;
- (2) Send out notifications to all known mobile home park owners or manufactured housing community owners that the registration assessments under section 6 of this act which are due. These notifications must include information about late fees, liens, and passing costs on to tenants; and
- 16 (3) Collect the registration assessments due from all mobile home 17 park owners or manufactured housing community owners, and allow ninety 18 days to pass before sending notices of late fees to noncomplying owners 19 as provided in this act.
 - NEW SECTION. Sec. 8. (1) The owner of each mobile home park or manufactured housing community shall pay to the department a registration assessment of five dollars for each mobile home or manufactured home that is subject to chapter 59.20 RCW within a park or community to fund the costs associated with administering this act. Manufactured housing community owners or mobile home park owners may pass on no more than two dollars and fifty cents of this assessment to tenants.
 - (2) If an owner fails to pay the assessment before the registration expiration date, a late fee shall be assessed, for each mobile home or manufactured home that is subject to chapter 59.20 RCW. The owner is not entitled to any reimbursement of this fee from the tenants.
 - (a) A late fee shall be assessed at fifty percent of the total amount due for registration, if the fee is received by the department more than thirty days, but less than sixty days after the registration fee due date.
 - (b) A late fee shall be assessed at one hundred percent of the

- 1 total amount due for registration, if the fee is received by the
- 2 department more than sixty days late.
- 3 <u>NEW SECTION.</u> **Sec. 9.** All receipts from the imposition of fines,
- 4 assessments, and late fees collected under this act must be deposited
- 5 into the office of manufactured housing account under RCW 59.22.070.
- 6 Expenditures from the account may be used only for the costs associated
- 7 with administering this chapter. Only the director or the director's
- 8 designee may authorize expenditures from the account. The account is
- 9 subject to allotment procedures under chapter 43.88 RCW, but an
- 10 appropriation is not required for expenditures.
- 11 <u>NEW SECTION.</u> **Sec. 10.** (1) In order to provide general assistance
- 12 to mobile home resident organizations, park owners, and landlords and
- 13 tenants, the department shall establish an office of mobile home
- 14 affairs which will serve as the coordinating office within state
- 15 government for matters relating to mobile homes or manufactured
- 16 housing.
- 17 This office will provide a complaint resolution process to mobile
- 18 home park owners and mobile home tenants with respect to problems and
- 19 disputes between park owners and park residents and to provide
- 20 technical assistance to resident organizations or persons in the
- 21 process of forming a resident organization under chapter 59.22 RCW.
- 22 The office will keep records of its activities in this area.
- 23 (2) The office shall perform all the consumer complaint and related
- 24 functions of the state administrative agency that are required for
- 25 purposes of complying with this chapter and the regulations established
- 26 by the federal department of housing and urban development for
- 27 manufactured housing, including the preparation and submission of the
- 28 state administrative plan.
- 29 (3) The office shall administer the mobile home relocation
- 30 assistance program established in chapter 59.21 RCW, including
- 31 verifying the eligibility of tenants for relocation assistance.
- 32 <u>NEW SECTION.</u> **Sec. 11.** A new section is added to chapter 34.12 RCW
- 33 to read as follows:
- When requested by the department of licensing, the chief

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- administrative law judge shall assign an administrative law judge to conduct proceedings under Title 59 RCW.
- 3 **Sec. 12.** RCW 59.22.070 and 1995 c 399 s 156 are each amended to 4 read as follows:
 - (1) There is created in the custody of the state treasurer a special account known as the ((mobile home affairs)) office of manufactured housing account.
- 8 Disbursements from this special account shall be as follows:

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- 9 (((1))) <u>(a)</u> For the two-year period beginning July 1, 1988, forty 10 thousand dollars, or so much thereof as may be necessary for costs 11 incurred in registering landlords and collecting fees, and thereafter 12 five thousand dollars per year for that purpose.
- 13 $((\frac{(2)}{(2)}))$ (b) All remaining amounts shall be remitted to the department for the purpose of implementing RCW 59.22.050 ((and $\frac{59.22.060}{(20.000)})$).
- (2) All funds collected by the department under sections 7 and 8 of this act shall be transferred to the state treasurer for deposit into the office of manufactured housing account.
- 19 (3) Expenditures from the account may be used only for the costs
 20 associated with administering this act. Only the director or the
 21 director's designee may authorize expenditures from the account. The
 22 account is subject to allotment procedures under chapter 43.88 RCW, but
 23 an appropriation is not required for expenditures.
- NEW SECTION. Sec. 13. Sections 1 through 10 of this act constitute a new chapter in Title 59 RCW.
- NEW SECTION. Sec. 14. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately.

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